



**SUPPLY CHAIN MANAGEMENT
PRE-QUALIFYING PREFERENTIAL
PROCUREMENT POLICY**

2017/2018 FINANCIAL YEAR

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1. BACKGROUND

National Treasury has released the revised Preferential Procurement Regulations, 2017 which were gazetted on Friday 20 January 2017. The regulations were initially promulgated in 2001 and revised in 2011 thus making this the second revision since the initial promulgation.

The revision of the Preferential Procurement Regulations of 2011 was largely influenced by the need to provide for a mechanism to empower certain categories (Small Medium and Micro Enterprises (SMME) also classified as EMEs or QSEs, Co-operatives, Township and Rural enterprises) through procurement.

2. SECTORS IDENTIFIED FOR LOCAL PROCUREMENT

National Treasury, in collaboration with the Department of Trade and Industry, has identified various sectors and issued Circular 69 that prescribes the invitation and evaluation of bids based on the stipulated minimum threshold for local production and content of these goods and services.

National Treasury issues circulars with effect to the various sectors as they are identified and finalised.

3. OBJECTIVE

It is the objective of the Municipality to promote local procurement to enhance job creation and sustainability.

This Policy must be read in conjunction with the Supply Chain Management Policy as well as the Preferential Procurement Regulations, 2017. This policy aims to identify the commodities that will be procured locally or through (Small Medium and Micro Enterprises (SMME) also classified as EMEs or QSEs, Co-operatives, Township and Rural enterprises).

4. MIDVAAL LOCAL MUNICIPALITY SECTORS

Over and above the sectors identified by National Treasury and the DTI for local procurement, the Midvaal Local Municipality has identified the following commodities to be procured locally or through (Small Medium and Micro Enterprises (SMME) also classified as EMEs or QSEs, Co-operatives, Township and Rural enterprises):

- Public transport
- Rental of tents and chairs
- General Cleaning services (carpets, windows, etc.)
- Cleaning of roads and intersections
- Security services
- Laundry services

- Catering services
- Pest Control/weed killing services
- Flowerbed maintenance/Grass Cutting/ Tree Felling
- Pauper Burials
- Car Wash
- Kgatelopele Project
- Other projects as identified by the relevant Head of Department and as included in the bid specifications.

Sub-contracting must be done in accordance with the Preferential Procurement Regulations, 2017.

5. COMMENCEMENT

This Policy takes effect on 1 July 2017.